Northwest Territories Housing Corporation
Annual Report 2008-2009

A LEGACY FOR THE NORTH

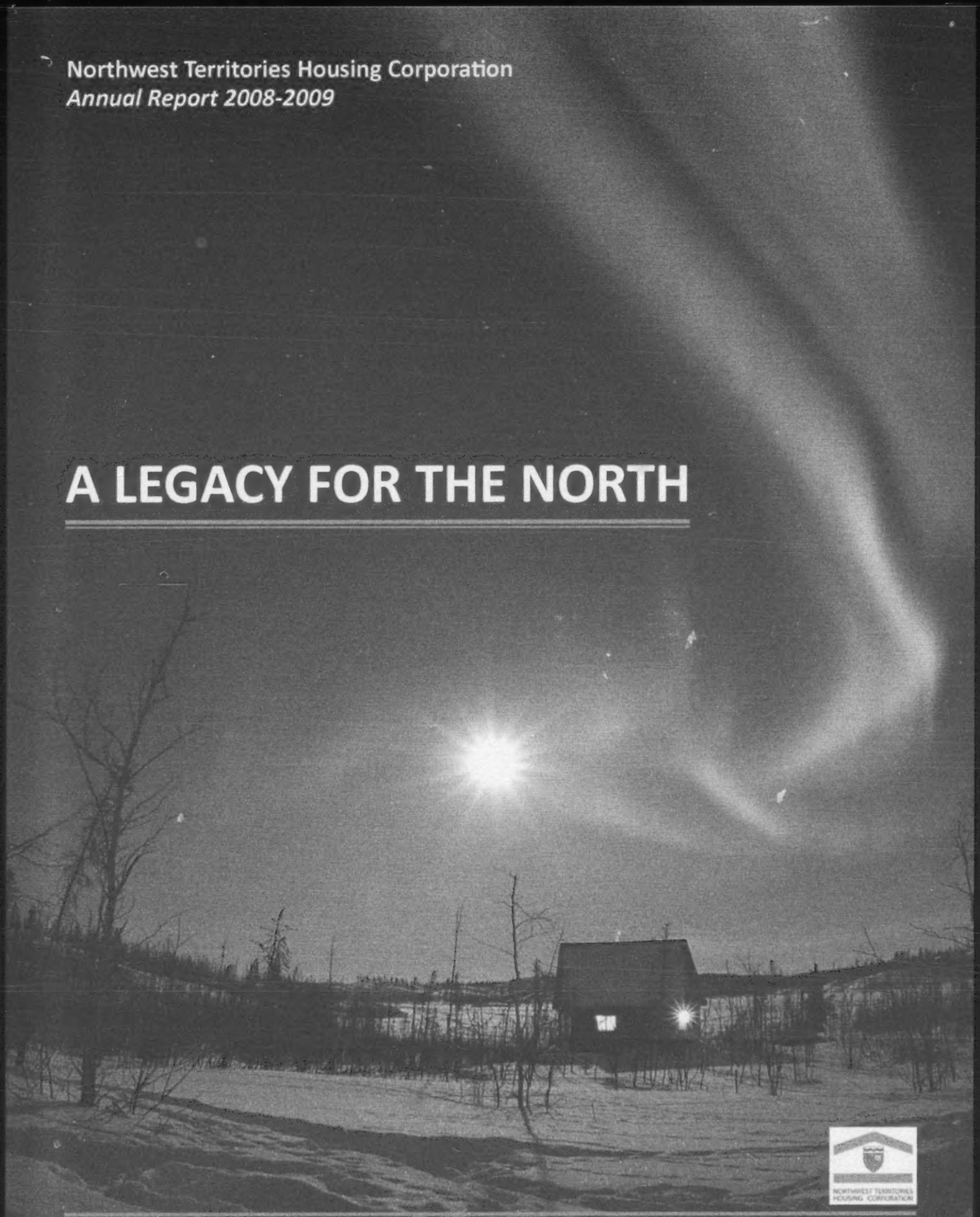


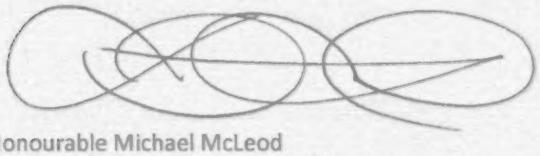
PHOTO BY DAVE BROSHA

The Honourable Anthony W.J. Whitford, Commissioner
Government of the Northwest Territories

Dear Sir,

I have the honour of presenting the Annual Report for the Northwest Territories Housing Corporation, covering the period of April 1, 2008 to March 31, 2009.

Respectfully submitted,



Honourable Michael McLeod
Minister Responsible for the Northwest Territories Housing Corporation

A LEGACY FOR THE NORTH

The 2008-2009 fiscal year marked one of the most challenging and successful delivery years in the history of the Northwest Territories Housing Corporation (NWTHC). It was the third and final year of the Federal/Territorial Affordable Housing Initiative (AHI) which represented a significant investment in northern housing. The AHI fund allowed the NWTHC to replace or renovate more than 1,000 existing public housing units, and resulted in the addition of hundreds of new northern homes on the ground over the three years.

Every community in the Northwest Territories (NWT) benefitted from this effort through employment generated by the construction projects and overall improvement to housing, which will be a lasting legacy for decades to come. By significantly extending the functional life of existing housing stock and increasing the availability of affordable housing across the NWT, the NWTHC has taken a step forward in its efforts to provide affordable, safe, energy-efficient housing to northerners.

The success of this effort couldn't have been achieved without partnerships with communities and the work done by northern contractors, construction companies and the dedicated, hardworking staff of the NWTHC and its affiliated Local Housing Organizations.

Through the construction of new homeownership units and the replacement of older public housing stock with new, more energy-efficient units, the NWTHC is building a territory-wide foundation - a legacy - that will support the housing needs of northerners well into the future.

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Fort Providence, NWTHC PHOTO

Message from the Minister

The Honourable Michael McLeod, Minister Responsible for the Northwest Territories Housing Corporation

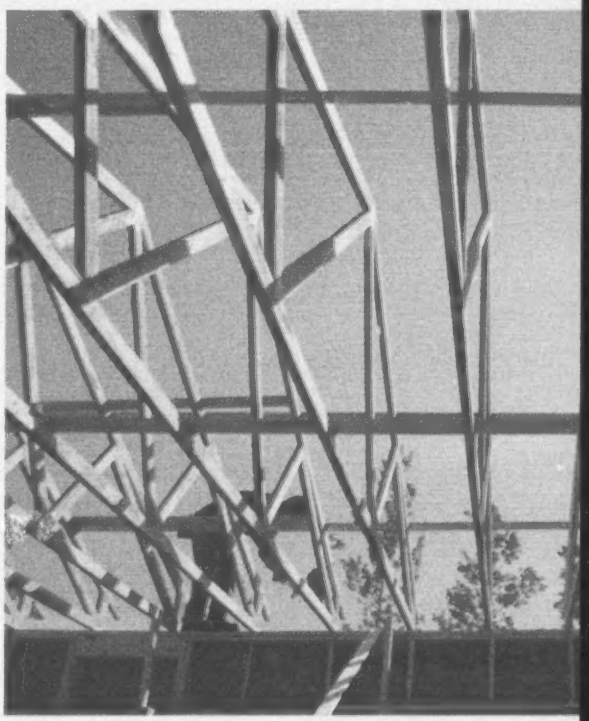
As I look back at the past year, the Northwest Territories Housing Corporation (NWTHC) has much to be proud of. As we completed the third year of delivery under the Affordable Housing Initiative, we continued to assist residents to repair and renovate their homes, while constructing new homeownership units and replacing existing public housing with new, more energy-efficient units.

Affordable housing is among the most important investments a government can make for its residents. Affordable housing promotes healthy living, increases educational outcomes, and contributes to safer communities. We have been fortunate in recent years to have the means to make significant capital investments in our housing stock, which are in turn investments in our communities and our people. Our building practices are increasingly focused on energy-efficient, modern, affordable structures.

Significant investments were made this year to ensure the existing public housing in the Northwest Territories (NWT) is well-maintained and that residents enjoy a safe and healthy space to call home. Our main mechanism for delivering homeownership assistance is a suite of programs called *Housing Choices*. The demand for public housing and homeownership assistance is increasing. In order to meet this demand it will take long-term commitment from all levels of government to keep up with demand while effectively maintaining the homes under our care.

The NWTHC is prepared for the challenge. By strengthening current partnerships and forming new ones we are on track to achieve the goals and objectives set out by the 16th Legislative Assembly. These partnerships include our continuing work with Canada Mortgage and Housing Corporation, our provincial and territorial colleagues, aboriginal governments, communities, and Local Housing Organizations here in the NWT.

As we move forward in the coming years, the NWTHC will leave an important legacy in our communities – affordable housing that will contribute to the sustainability of our communities and the health and safety of our residents.



NWTHC PHOTO

Northwest Territories Housing Corporation Mandate:

The Northwest Territories Housing Corporation provides access to adequate, suitable, and affordable housing. Through the provision of housing programs and services, the Northwest Territories Housing Corporation contributes to the health and education of our people and the development of sustainable, vibrant and safe communities.

NORTHWEST TERRITORIES HOUSING CORPORATION

Message from the President/CEO

Jeff Polakoff, President and CEO of the Northwest Territories Housing Corporation

Over the 2008-2009 year, the Northwest Territories Housing Corporation (NWTHC) highlighted its ability to successfully provide essential housing programs to northerners while replacing public housing units and upgrading existing housing stock. It was a year that demonstrated how efficient the NWTHC can be at meeting its mandate of providing adequate, suitable and affordable housing stock in communities. While the three year Affordable Housing Initiative (AHI) funding has now ended, both the federal and territorial governments have committed to continuing to fund housing initiatives for the next two years.

Canada's Economic Action Plan (CEAP), announced in January 2009, is a federal economic stimulus package designed to aid in Canada's recovery from the global economic downturn. Through CEAP the NWTHC will be receiving an additional $50 million in federal funding for housing, which will be matched by the Government of the Northwest Territories. The additional $100 million in new funding is to be distributed through to 2011.

With no funding commitment past 2011, it is an important time to look not just at the successes that resulted from the AHI fund but to the challenges that lay ahead. Over the long-term, federal funding to operate and maintain existing public housing has not been secured. With our Federal, Provincial, Territorial colleagues the NWTHC is in discussions to encourage the Federal Government to support the development of new public housing and to fund maintenance and renovations of public housing past 2011.

While we continue to improve our ability to assist residents, it is clear that we cannot do it on our own. The NWTHC must pursue every opportunity to forge community partnerships and increase our efforts to collect mortgage and rental arrears. In the coming years we look forward to working with the Federal Government to ensure successful programs like AHI continue. Our goal will continue to be to ensure all northerners have access to safe, affordable housing.

An important component for success will be to continue to work effectively with our community partners to create trades training and employment opportunities for northerners. A growing labour shortage is a challenge we are facing. In the north, having fewer available trades and construction people will affect the NWTHC's ability to complete repair projects and housing construction. Supporting trades training and partnering with educational institutions such as Aurora College to promote the trades as a viable career will encourage growth in the northern trades sector.

As the NWTHC moves forward we will continue to respond to our client needs by offering effective homeownership programs through *Housing Choices* while working to upgrade and maintain our current public housing stock to the highest standard. Quality housing contributes to health, education and public safety, while providing important economic stimulus and job creation. It is because of the ongoing work being done by the dedicated, hardworking staff of the NWTHC that we are leaving an important legacy in Northwest Territories communities – adequate, suitable and affordable housing that will provide shelter for families for many years to come.

Corporate Pro□le

OUR VISION

The Northwest Territories Housing Corporation is committed to providing opportunities for communities to become accountable for their own choices and housing. By working together, opportunities are provided for community residents to have homes that support a healthy, secure, independent and dignified lifestyle.

OUR MISSION

The mission of the Northwest Territories Housing Corporation is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate and suitable housing stock to meet the housing needs of Northwest Territories residents.

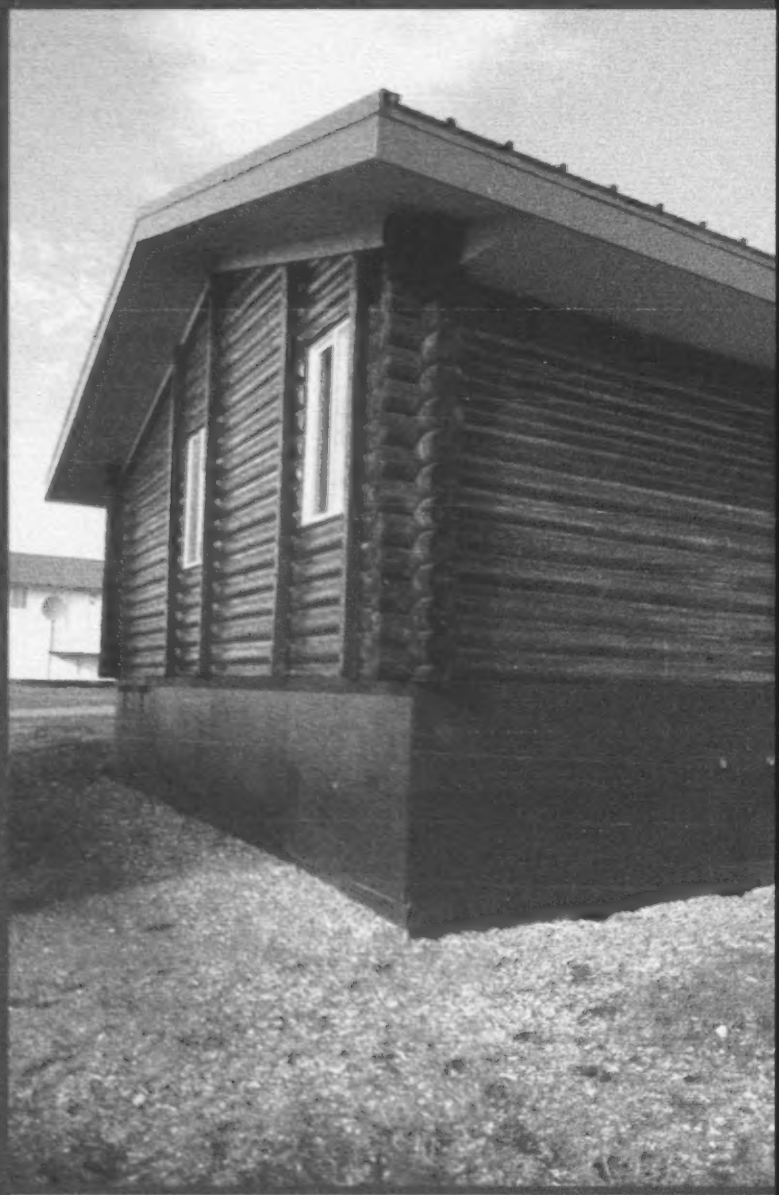
OUR GOALS

The long-term goals of the Northwest Territories Housing Corporation (NWTHC) support the goals set out by the 16th Legislative Assembly in its strategic plan *Northerners Working Together:*

1. Increased supply of suitable and affordable housing stock in communities to meet the housing needs of NWT residents;
2. Acquire and plan for sufficient land for the purpose of providing affordable housing in all Northwest Territories communities;
3. Homeownership programs and services that provide access for eligible clients and ensure NWTHC assets are secure and protected;
4. Long term sustainability and energy-efficiency of housing in the NWT; and
5. Greater personal responsibility for housing through community based training and support and strengthened collection policies and procedures.

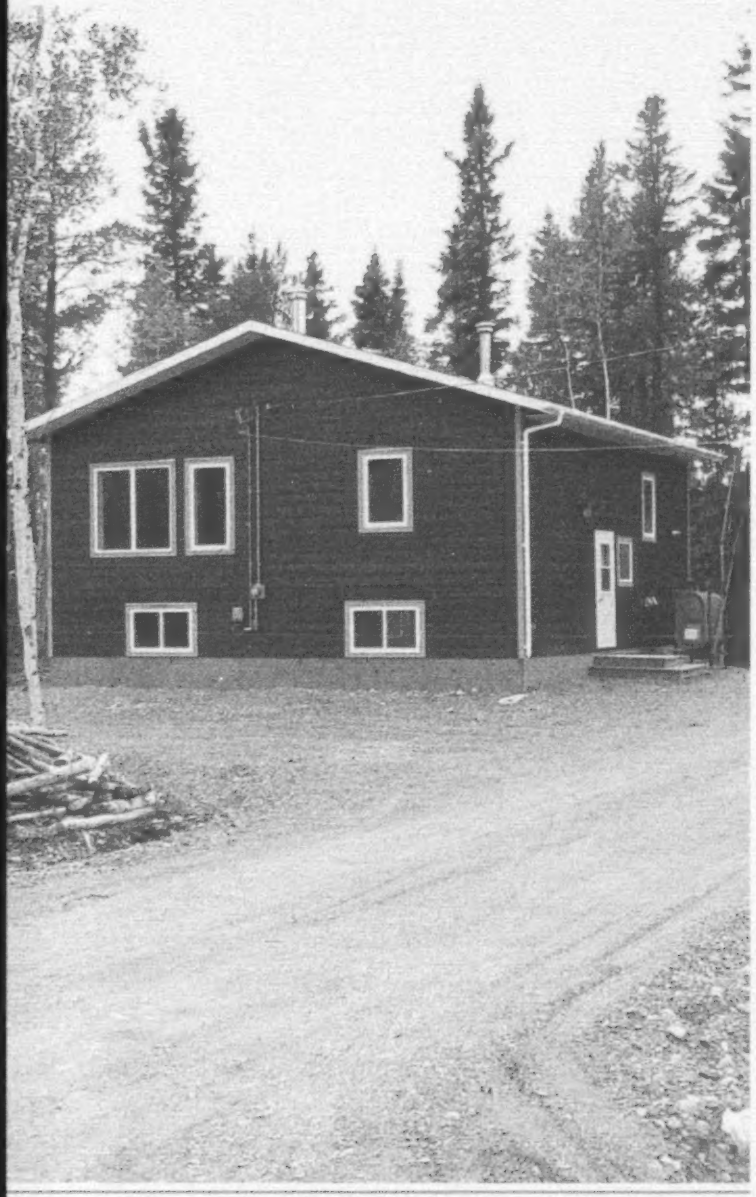
A RECORD PERFORMANCE

From 2006 to 2009, under the Affordable Housing Initiative, the Northwest Territories Housing Corporation built 190 new homes as part of the Homeownership Entry Level Program (HELP). HELP is the *Housing Choices* program designed to make homeownership accessible to □rst time homebuyers. An additional 386 NWT homeowners received funding through the *Housing Choices* Contributing Assistance for Repairs and Enhancements (CARE) Program to repair, upgrade and perform preventative maintenance on their home.



A RECORD PERFORMANCE

Thanks to funding from the Affordable Housing Initiative and the hard work of Northwest Territories Housing Corporation (NWTHC) staff, Local Housing Organizations, northern construction businesses and contractors; 159 public housing units were replaced from 2006 to 2009. In addition to the replacements, in 2008-2009 the NWTHC spent approximately $3.4 million to modernize and improve existing public housing in communities throughout the Northwest Territories.



GUIDING PRINCIPLES

In addition to our Corporate Vision, Mission and Goals, the *Framework for Action, 2008-2011* sets out the following guiding principles:

- All residents of the Northwest Territories should have access to housing that they can afford, that is of suitable quality, and that is adequate to meet their individual shelter needs.
- Housing should be a key component in the development of safe, healthy and sustainable Northern communities.
- Programs and services delivered by the Northwest Territories Housing Corporation should provide easy access for clients and promote greater personal responsibility for housing through community based training and support.
- Public funds designated for housing should be used in a manner that ensures the security of investments made, maximizes available sources, and balances affordability with the utilization of local labour and materials.
- Housing should be constructed in a manner which meets all national and territorial construction standards, maximizes energy efficiency, minimizes environmental impact, and contributes to lowering the cost of living.
- The Northwest Territories Housing Corporation should clearly communicate with stakeholders and ensure that the input and views of stakeholders are heard and are acted upon.

Photo Previous Page: Older public housing units like this one in Norman Wells have been retro□tted to extend the useful life of the house, and to make them more modern, energy-e□ cient and comfortable for tenants.

Photo left: New homes like this four bedroom family unit built in Wrigley with funds from the Affordable Housing Initiative is an example of the housing legacy the Northwest Territories Housing Corporation is creating for the north.

NWTHC PHOTOS

Corporate Structure

The Northwest Territories Housing Corporation (NWTHC) utilizes a broad network of staff to deliver its services to Northwest Territories residents.

Executive

The Executive provides overall management direction to the NWTHC and collaborates with other Government of the Northwest Territories (GNWT) departments and agencies to achieve the broad goals and objectives of the GNWT and to find interdepartmental solutions to the issues facing Northerners. The Executive provides an essential coordinating function in strategic planning, policy development and in the development of operational guidelines on the business of the Corporation. The Executive is also responsible for providing support to the Minister Responsible for the NWTHC and to ensure the NWTHC meets the requirements of the Legislative Assembly.

The Executive also contains the Strategic Planning, Policy and Communications branch of the NWTHC. This branch provides long-term strategic direction and planning for the NWTHC and is responsible for representing the NWTHC at the Federal/Provincial/Territorial level, working groups and other committees. The branch is responsible for strategic and business planning, policy development, qualitative and quantitative research, and corporate communications.

Finance and Infrastructure Services

Finance and Infrastructure Services coordinates financial services, capital planning, lot development and infrastructure to support the delivery of the NWTHC's Infrastructure Acquisition Plan. The Finance & Administration Division is responsible for the overall financial affairs of the NWTHC. This includes financial planning, the provision of accounting services, reporting and monitoring, treasury services, mortgage and debt administration, and providing financial advice to senior management and stakeholders. This Division is also responsible for the NWTHC's Information Systems and Information Management and is responsible for the asset management of the NWTHC's assets.

Sahtu District Office Technical Manager, John Kivi, could not be happier to be inspecting new home construction in Fort Good Hope on such a beautiful day.

PHOTO BY PAULA MACFADYEN

The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for forecasting and acquiring land, land tenure, lot development and land administration related to new construction and lands occupied by the NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC public housing portfolio in order to ensure its long-term sustainability.

District Offices and Communities Served

Programs and District Operations

This Division provides corporate support to the NWTHC's five District Offices in the delivery of programs and services to the residents of the Northwest Territories. This includes the development, implementation, training, monitoring, evaluation and delivery of programs and initiatives that optimize the NWTHC's responsiveness to Northwest Territories housing needs, and to ensure a continuity of approach to program delivery and implementation.

The Division works within the NWTHC's framework and mandate for developing cost effective housing programs and initiatives designed to increase affordability and suitability and reduce adequacy problems. At the same time the NWTHC encourages residents and communities to become self-reliant to meet their housing needs.

The Division is responsible for providing support and services to regional offices as well as LHOs. It serves a critical role in ensuring that local input into housing delivery is balanced by policy and programs developed to ensure consistent application across the Northwest Territories.

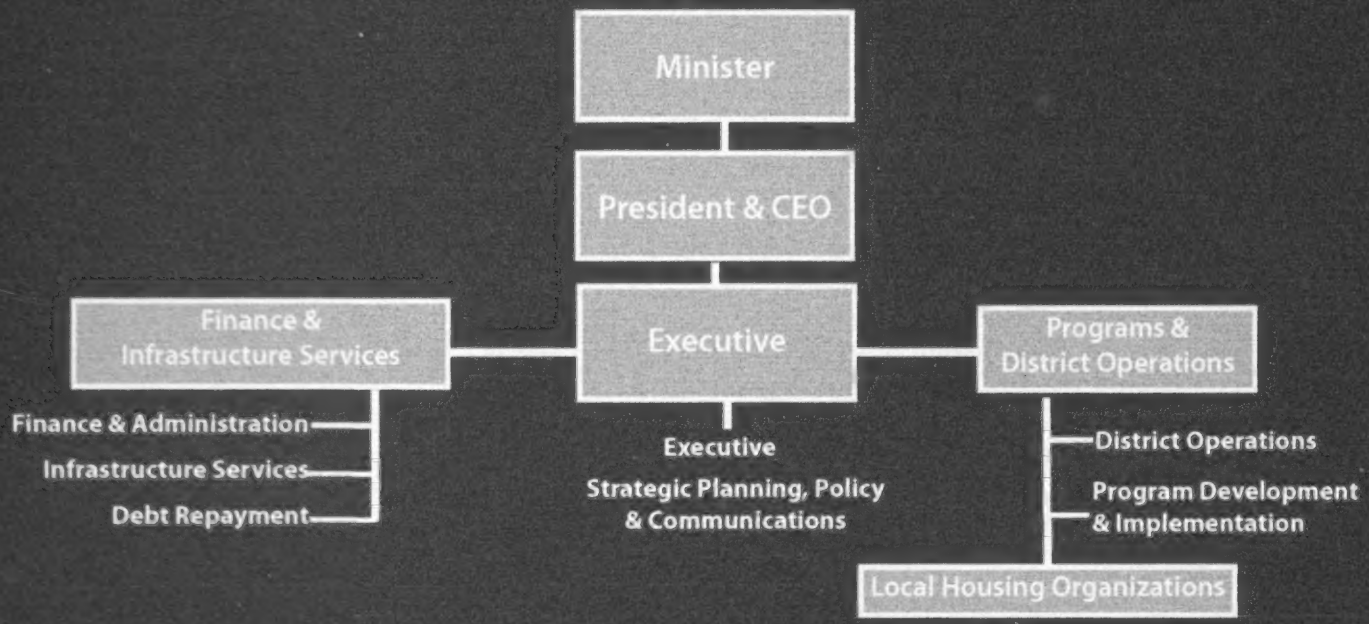
The five District Offices support communities in program and service delivery. District Offices are responsible for the administration of District capital activities and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, and training, and work closely with external stakeholders at the community level. District Offices work with Local Housing Organizations and Northwest Territories residents to identify options and programming to assist individuals in their decision-making regarding their housing needs.

Local Housing Organizations

As part of the NWTHC's structure, Local Housing Organizations (LHOs) are the link between the NWTHC, the communities and the residents we serve. LHOs act in accordance with NWTHC policies and procedures as agents of the NWTHC ensuring that local input is gathered and housing solutions are identified based on unique community needs.

The structure of a LHO consists of a LHO board elected by the community it serves or appointed by the Minister, a Housing Manager who runs the operations of the LHO and the staff that work with the Housing Manager to administer the NWTHC's public housing portfolio. Through the dedication and commitment of LHOs the NWTHC is able to remain responsive to the communities and residents it serves.

Northwest Territories Housing Corporation Organizational Chart



Corporate Initiatives

Affordable Housing Initiative

2008-2009 represents the end of the three year Affordable Housing Initiative which began in 2006. During this period, the Federal and Territorial government invested $100 million to build or repair houses in every community in the Northwest Territories. To date, $79 million has been spent to construct 349 new units. A further 111 units will be completed in 2009-2010. The housing projects are focused on three distinct delivery areas:

1. **Homeownership Construction:**

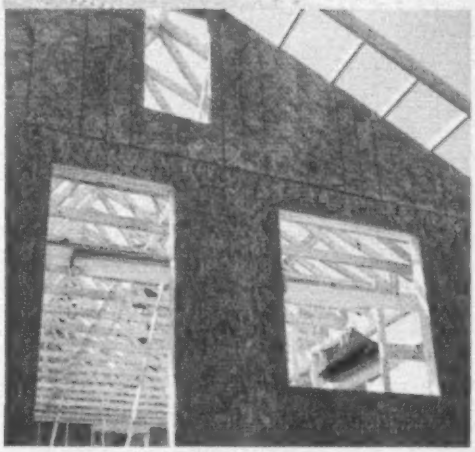
   The construction of new homeownership units for delivery through the Homeownership Entry Level (HELP) program and the Providing Assistance for Territorial Homeownership (PATH) program was a key part of the Affordable Housing Initiative. Over the three years, the Northwest Territories Housing Corporation (NWTHC) constructed 190 new homeownership dwellings. These units were more energy-efficient than past homeownership offerings, and were delivered to residents who qualified for either HELP or PATH. New homeownership construction also provided a significant infusion to the economies of Northwest Territories communities through job creation and development of contractor capacity through the use of both negotiated contracts as well as the success that northern contractors have had in bidding under the public tender process.

2. **Public Housing Replacement:**

   Perhaps a more challenging priority in the NWTHC's construction program under the 2006-2009 AHI was the replacement of existing public housing. The decline of funding for the operation and maintenance of public housing continues to be an issue of long term strategic concern. One strategy the NWTHC is pursuing to address this is to focus efforts on building more energy efficient, multi-unit configured public housing. This will help reduce the NWTHC's overall operation and maintenance costs in the long-term. Thanks to funding provided through AHI, the NWTHC has identified and replaced 159 public housing units.

3. **Repairs and Renovations:**

   The NWTHC's construction program has been supplemented through the repair and renovation of existing public housing units as well as repair to private homes delivered through the Contributing Assistance for Repairs and Enhancements program (CARE). In 2008-2009, the NWTHC completed over $5.3 million in housing repairs throughout the territory. These repairs both improve the energy-efficiency of privately owned houses while extending their long-term life.



Office of the Auditor General – Performance Audit Outcomes

On March 2, 2006, the 15th Legislative Assembly moved that a performance audit be conducted on the Northwest Territories Housing Corporation (NWTHC). The performance audit was conducted by the Auditor General of Canada during 2006-2008 and was made public in February, 2008.

The Performance Audit highlighted three general areas, including Local Housing Organization monitoring, program evaluation, and the need for a NWTHC strategic plan.

The NWTHC continues to adjust its planning and activities to respond directly to challenges that the NWTHC faces.

Enhancements to *Housing Choices*

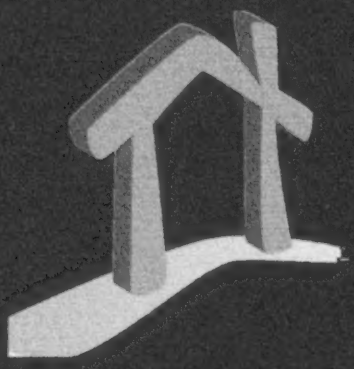
Program delivery is most effective when programs are not static but are revised over time to reflect the needs of the clients they are intended to serve. In 2008-09, the NWTHC identified improvements to its *Housing Choices* program and made amendments designed to increase access to programs in Northwest Territories communities.

The NWTHC increased the maximum assistance level under the *Housing Choices* Providing Assistance for Territorial Homeownership (PATH) program from $90,000 to $125,000. This helps eligible applicants at the lower income range by providing sufficient subsidy to be able to pay their mortgage and shelter costs and to reflect increased construction costs.

Tenants with arrears under the PATH program have also been provided the option to roll their arrears into the purchase cost of a public housing unit. Clients who want to buy their unit may qualify for assistance under the PATH program, up to $125,000, but they must finance the arrears balance with a financial institution.

The NWTHC also made adjustments to the Contributing Assistance for Repairs and Enhancements (CARE) program. The NWTHC has implemented an increase in the maximum assistance for units without land security from $25,000 to $40,000. This adjustment has made it easier to assist homeowners in communities where it is difficult to obtain land tenure. A $40,000 maximum is intended to allow the NWTHC to complete an adequate renovation to address health, safety and energy-efficiency issues.

As a result of these changes, the NWTHC deferred the full evaluation of *Housing Choices* to allow for implementation of the program changes that were made and to ensure that the impact of these changes is reflected in the evaluation.



Housing Choices has a simple structure which offers flexible delivery options, is more accessible to Northwest Territories residents, and continues to recognize special interest groups. The structure uses education and counselling to help residents not only become more independent but also to assist them in becoming successful homeowners. The suite of programs and services offered under *Housing Choices* are:

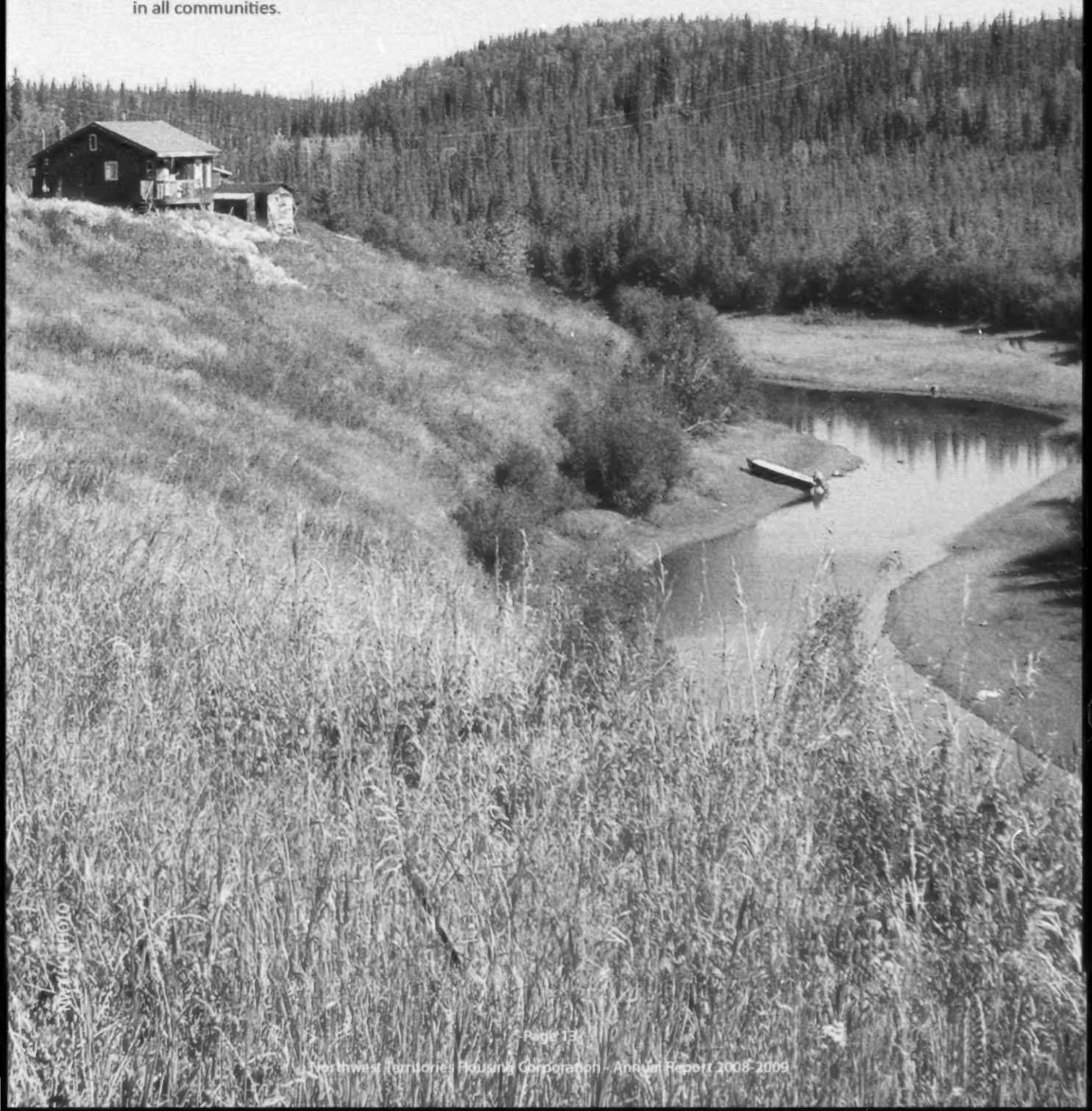
* STEP (Solutions to Educate People)
* HELP (Homeownership Entry Level Program)
* PATH (Providing Assistance for Territorial Homeownership)
* CARE (Contributing Assistance for Repairs and Enhancements)

Framework for Action 2008-2011

The Northwest Territories Housing Corporation (NWTHC) continues to implement activities to improve its overall strategic planning. In 2007-2008, the NWTHC developed a *Framework for Action* that identifies the strategic actions required over a four year period in order for the NWTHC to deliver on its mandate.

The *Framework for Action* will:

- renew and focus the time and money spent on housing initiatives;
- inform and engage members of the public, and partners at all levels of government, to become better informed of housing initiatives in order to assist them in their involvement;
- build on the NWTHC's mandate to ensure that there is an adequate supply of affordable housing in all communities.



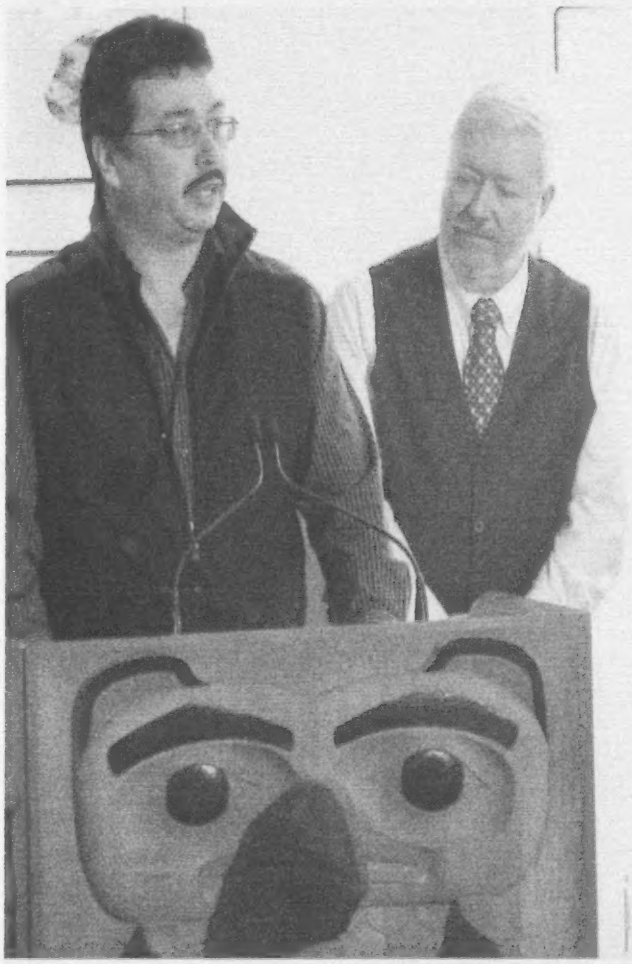
Federal, Provincial, Territorial Efforts – New funds secured for 2009-2011

As the 2006-2009 Affordable Housing Initiative (AHI) drew to a close, Northwest Territories Housing Corporation (NWTHC) officials renewed their efforts to ensure Federal Government investments in northern housing will continue past 2009. The discussions initiated by the NWTHC during 2008-2009 were intended to demonstrate how continued funding would assist the NWTHC to build on the momentum achieved over the past three years.

On January 29, 2009 the Federal Government announced a $58 million contribution to northern housing in the Northwest Territories, which the Government of the Northwest Territories subsequently matched. This new housing investment is intended, first and foremost, to provide economic stimulus to Northwest Territories communities through increased construction activity.

However, a further two years of housing investment will also build on the legacy left by the AHI.

Though the NWTHC welcomes investments in new construction in the Northwest Territories by the Federal Government, federal capital investments do not address the more pressing issue facing Provinces and Territories, namely the decline of operating and maintenance funding for social housing. Over the next 30 years, the funding available to operate and maintain our housing stock will decline to $0.



NWTHC PHOTO

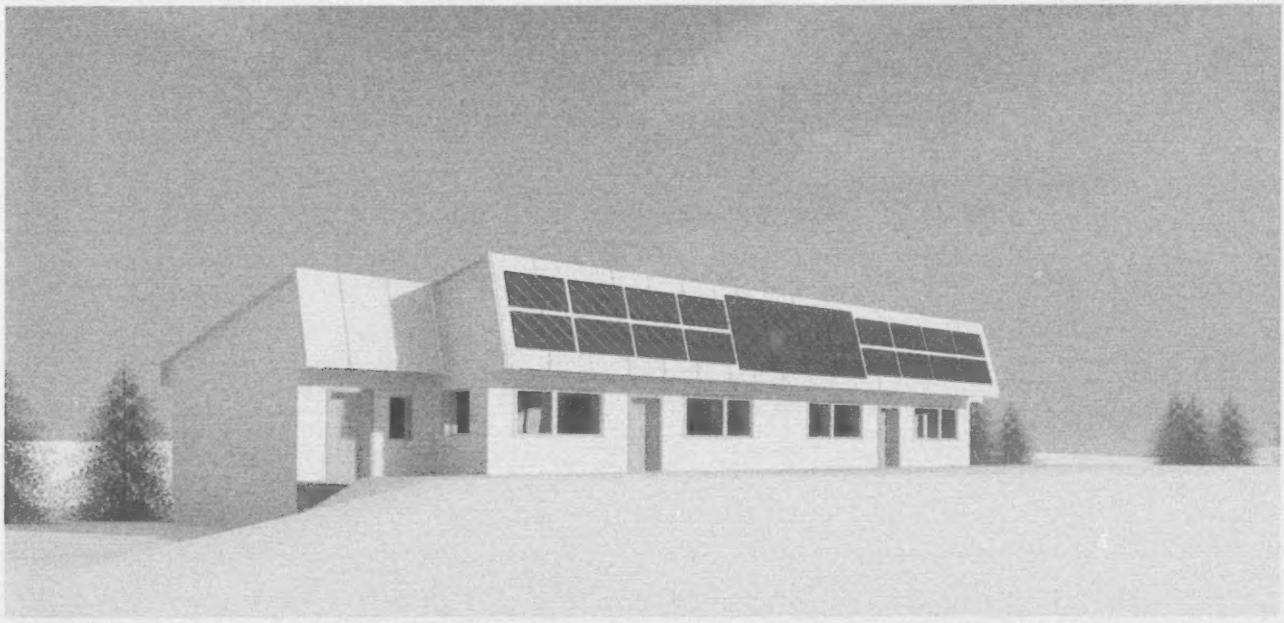
NWT officials and their Provincial and Territorial colleagues continued their work in 2009 to examine the long-term sustainability of social housing in Canada.

This is an issue of significant importance for the Northwest Territories because in many of our communities social housing is the predominant form of housing. Any risk that social housing may become unsustainable in our territory will directly impact the long-term sustainability of communities. In light of this and other challenges facing the delivery of housing in the North, the Northwest Territories will continue to work closely with its Provincial and Territorial counterparts to address the housing needs and challenges of the North.

Minister Michael McLeod speaks following a meeting of Territorial Housing Ministers in Iqaluit. The Ministers discussed issues of common interest as well as the challenges they face in providing housing to their residents. Also pictured is the Hon. Jim Kenyon (Yukon).

New Housing Designs – Natural Resources Canada (NRCan) EnerGuide for Houses

The Northwest Territories Housing Corporation (NWTHC) has adopted new designs that incorporate high efficiency standards for new construction of public housing replacement units as well as for units built for delivery under the *Housing Choices* homeownership programs. An EnerGuide rating is a standard measure of your home's energy performance. A home's energy-efficiency level is rated on a scale of 0 to 100. A rating of 0 represents a home with major air leakage, no insulation and extremely high energy consumption. A rating of 100 represents a house that is airtight, well insulated, sufficiently ventilated and requires no purchased energy on an annual basis. The new NWTHC designs will meet or exceed the NRCan minimum energy-efficiency EnerGuide rating of 80. These new designs will be integrated into NWTHC's modernization and improvement program and will set the standard for all future construction undertaken by the NWTHC.

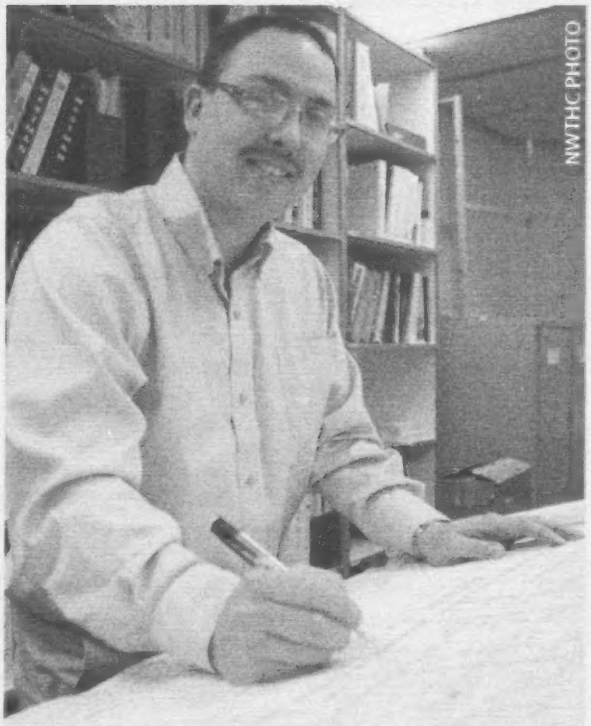


A computer-generated graphic done by the NWTHC Northern Sustainable House design team shows what the new style of northern homes may look like. This duplex design, when completed, will have forward facing solar panels, double walls for high insulation values, and an energy-efficient heating and water system. Test have shown once all systems are in place the Northern Sustainable House will exceed the EnerGuide 80 rating and may reach an EnerGuide rating of 88.

Improving Energy-Efficiency

Energy-efficiency was a key component of the NWTHC's operations over the past year. The use of new technologies to improve the energy-efficiency of homes is an important way to reduce shelter costs for homeowners. Most of the NWTHC's efforts towards the reduction of utilities consumption have been in support of reducing costs and the mitigation of environmental impacts to reduce greenhouse gas emissions.

The NWTHC is a partner in the Government of the Northwest Territories (GNWT) Energy Plan and the *NWT Greenhouse Gas Strategy*. The President and CEO of the NWTHC is also a member of the GNWT's Energy Coordinating Committee and the NWTHC is currently working with other GNWT departments on adaptation strategies to respond to the effects of climate change. The NWTHC is a member of the Arctic Energy Alliance and provides $50,000 to the Arctic Energy Alliance yearly for its operations. The Corporation President & CEO also sits on the Board of Directors for the Arctic Energy Alliance.


NWTHC PHOTO

Our People

SCOTT REID

It wasn't by mistake that Scott Reid, Director of Infrastructure Services, found himself in Inuvik after graduating from the Cabot Institute of Applied Arts and Technology in St. John's, Newfoundland with a diploma as an Architectural Engineering Technologist in 1993.

Reid drove from Newfoundland to Inuvik because he says he thought Inuvik was a good place to start his career. Reid's first job was for the local lumber yard but it wasn't long before he was hired as a Building Inspector for the Town of Inuvik. In 1995, Reid was hired by the engineering firm, Ferguson Simek Clark (FSC) as an Architectural Technologist. Scott then went to work for the engineering firm, Northern Engineers and Architects Ltd (NEAL). He stayed with them until 2000.

In 2000 Reid began his career with the Northwest Territories Housing Corporation (NWTHC) at the Beaufort Delta District Office (BDDO). He was originally hired as an Architectural/Technical Advisor. In 2005 Reid became the Technical Manager at the BDDO and later, in 2008, was transferred to the NWTHC's headquarters in Yellowknife where he settled into the position he holds today, Director of Infrastructure Services.

Since joining the NWTHC Reid has seen many advances within the infrastructure section such as design changes that incorporate more energy-efficient technologies, training opportunities, and the amount of housing stock delivered. Reid says when he first joined the NWTHC they were delivering 50 homes a year. Thanks to increased federal and territorial government funding more than 400 new homes were built by the NWTHC over the last three years.

Reid notes that the homes have not been delivered without challenges such as securing land, the fact that there are fewer trades and construction people in the north available to complete projects, and the difficulty of delivering on an aggressive Capital Plan with a short building season. With the NWTHC preparing to spend over $120 million on housing projects from 2009-2011, these challenges will need to be tackled head on as this represents the largest two year delivery plan in the history of the NWTHC.

Reid says with a team approach, good communication and direction, the NWTHC will be able to meet the challenges head on. As for the fact that there are fewer trades people available, Reid says the NWTHC is doing its part by providing opportunities to contractors to employ apprentices on their projects.

The Northern Sustainable Housing Project may be the future standard of dwellings for the NWTHC. Although the home will cost more to build, the NWTHC will see gains in long-term operating costs. Current estimates show it will cost 25% less than a standard home to operate. Design for the homes began in February of 2009 and the home is scheduled to be completed in 2010-2011.

Reid is a dedicated employee who is quick to say the best part of his day is coming to work. He enjoys working with NWTHC staff on the delivery of all projects. He says it's rewarding to know the decisions he makes often have a positive effect on the lives of NWTHC clients.

NORTHWEST TERRITORIES HOUSING CORPORATION

District O□ ce Pro□le – Nahendeh

Nahanni Butte - PHOTO BY PAULA MACFADYEN

The Northwest Territories Housing Corporation (NWTHC) Nahendeh District is located within the Deh Cho territory of the Northwest Territories and services six communities: Fort Simpson, Fort Liard, Jean Marie River, Nahanni Butte, Wrigley and Trout Lake. The District Office is located in Fort Simpson.

Chris Hewitt is the Director for the Nahendeh District. The District Office financial, administrative, technical and program staff provide excellent support to the six communities they serve. Hewitt adds that because the staff is mostly from the region they are familiar with the challenges of providing housing in the region, and better equipped to work with local residents to find solutions to their housing needs.

Hewitt says a priority for the District Office is administering the housing programs and services that are available to Nahendeh residents. Hewitt singles out the Solutions to Educate People (STEP) educational modules, offered through *Housing Choices*, as one of the most important services offered to Nahendeh residents. He says STEP, which provides training to residents who apply for homeownership and repair programs, is incredibly effective at preparing clients for the responsibilities involved in owning a home. Clients are offered training in the areas of budgeting, finance, home purchase and home maintenance/repair.

Hewitt says education is a key component to supporting successful, independent homeowners in the Nahendeh. Community partnerships are essential at the district level, and the Nahendeh staff spend considerable time working together with local aboriginal governments, local housing organizations, private contractors, and northern businesses.

(District Office Profile continued next page)

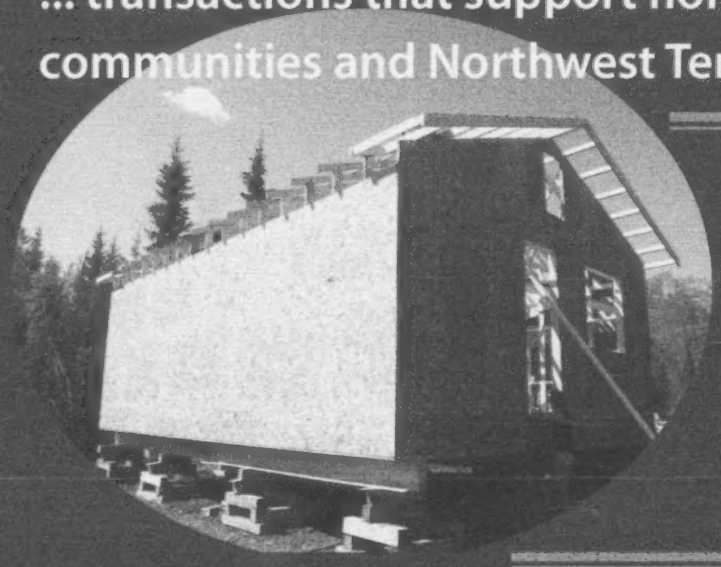
Isolation isn't the only challenge met by the Nahendeh District Office. Delivery of some programs to repair and build new housing units has been met with issues centering around access to land, land suitability, and the availability of qualified contractors and trades people within the communities. Although the challenges have caused the District Office to experience delays, they've focused their energy on finding solutions.

Hewitt says identifying approaches to improving turnaround time for applications and building stronger relationships with clients and partners through improved communication are the areas they are focussing on to improve NWTHC housing stock throughout the Nahendeh region.

The challenges have taught them that strong partnerships are key to successful delivery of NWTHC's programs. Hewitt says the Nahendeh District Office team will continue to build on the relationships they've developed throughout the region as they move forward.

Barges, like this one on the Mackenzie River, are one of the many ways the NWTHC transports building supplies to communities - PHOTO BY PAULA MACFADYEN

... transactions that support northerners, communities and Northwest Territories businesses ...



NORTHWEST TERRITORIES HOUSING CORPORATION

$21.4 Million

In 2008/2009 the Northwest Territories Housing Corporation (NWTHC) spent $21.4 million on major construction projects that took place in every community of the Northwest Territories.

Over 90 percent of major construction contracts were awarded to Northwest Territories based contractors, construction companies, and suppliers.

$2.2 Million

Of the $21.4 million, $2.2 million was paid to supply materials for labour only contracts. These materials were purchased directly from northern suppliers by the NWTHC.

The NWTHC is proud to be a major supporter of Northwest Territories businesses that provide jobs and promote community development in the North.

Years	2008-2009 Long Service Award Recipients	
20	Karen Dove	Executive Administrative Assistant, Executive Office
20	Debbora Buck-Colburn	Administrative Assistant, Finance and Infrastructure Services
15	Paulette Doucet	Manager Assets and Mortgages, Finance and Administration
15	Anita Villeneuve	Senior Lands Administration Officer, Land Planning and Administration
10	Mike Jackson	Manager Information Systems, Finance and Administration
5	Benji Straker	Policy Analyst, Strategic Planning, Policy and Communications
5	Joy Paivalainen	Property Management Officer, Finance and Administration

FINANCIALS

-Appendix A-

Northwest Territories Housing Corporation
2008-2009

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Challenges

Affordable Housing Initiative

Fiscal year 2008-2009 was the final year of the Corporation's three year Affordable Housing Initiative, a cost-shared partnership with Canada Mortgage and Housing Corporation (CMHC) facilitated under the Northern Housing Trust. This initiative invested $100 million, cost-shared 50/50 by the Federal Government and the Government of the Northwest Territories (GNWT), into the provision of new housing across the north. This Initiative supported the construction of 349 new units under the public housing and homeownership portfolios by March 31, 2009 with $79 million spent to date and a further 111 units are under construction and will be completed next year.

Housing Needs

The 2004 NWT Community Survey shows that of the 13,902 occupied dwellings in the Northwest Territories (NWT), 4,015 households (29%) had some form of housing problem. Of the 4,015 households, 2,260 were considered to be in core need (16%), which means that they do not have the necessary financial resources to remedy their housing problems without assistance. New core housing need data is to be released next year, which will help to measure the impact that the three year Affordable Housing Initiative has had on housing need levels in the NWT.

The Affordable Housing Initiative has had a positive impact on addressing adequacy, suitability, and affordability problems of housing as they relate to the provision of new homeownership units in our communities and to improve the overall quality and energy efficiency of public housing through the replacement of older detached units with new multi-family configured units. However, more long term operations and maintenance (O&M) investment is required to make substantial gains in addressing core need, particularly in our rural and remote communities.

Skilled Labour and Construction Capacity

The Corporation, along with the various stakeholders who work with us to build and renovate housing, continue to be challenged by a lack of northern skilled trades and labour. Current economic activity in the north has resulted in a serious shortage of qualified trade's people. This has impacted on the ability of the Corporation to hire contractors to construct homes under the AHI, and has limited the ability of homeowners and the Corporation to access qualified people to repair their homes in some communities. At the Local Housing Organization (LHO) level, the shortage of skilled labour to complete housing maintenance activities will have a serious impact on the long term sustainability of the public housing stock. The New Apprentices in Designated Trades and Occupations Training Program was started by the Government of the Northwest Territories in 2007-2008 to address the issue. The four year initiative was designed to invest in apprenticeships. In 2008-2009, $733,000 from the New Apprentices in Designated Trades and Occupations Training Program was provided to various LHOs to support the continued employment of twelve apprentices in various communities across the north.

Declining CMHC Funding

The CMHC provides ongoing subsidies to pay a portion of the operating and amortization costs of the Corporation's public housing portfolio.

The terms of the subsidy agreements stipulate that once the individual mortgages are paid, the federal subsidy that supports the operation of the public housing portfolio also expires. As a result, it is projected that over the years 2003-2004 to 2037-2038, the Corporation will face a cumulative shortfall in operations and O&M funding of over $339 million.

The Corporation and the GNWT will have to consider how this shortfall may be addressed, as the impacts of the declining funding become more significant. The Corporation along with its Territorial counterparts in Nunavut and Yukon and the southern jurisdictions are actively seeking support from the Federal Government to reinvest in the public housing portfolio.

Operational Overview

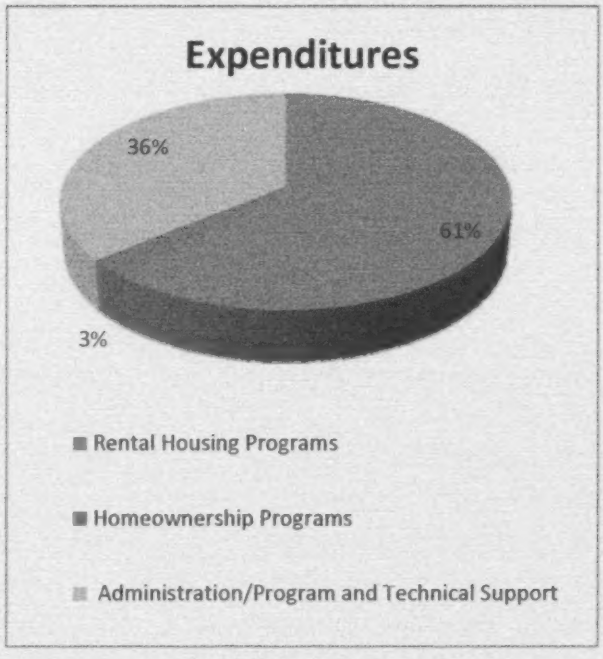
In early 2008, the Corporation refined its organizational structure to enhance the effectiveness of the management and delivery of housing programs. The primary focus was to improve the development, implementation, training, monitoring, evaluation and delivery of programs and services to optimize the Corporation's responsiveness to NWT housing needs and to ensure a continuity of approach related to program delivery and implementation. The requirement for a higher degree of formalization through policies, procedures, formal training and related mechanisms was a vital component in the development of the organizational structure to support compliance with existing policies and procedures, as well as, develop and update operational policies and procedures in consideration of the recommendations of the Auditor General of Canada through their Performance Audit.

The Performance Audit completed in early 2008 centered primarily on the Corporation's activities related to supporting and monitoring Local Housing Organizations (LHOs) operations, rent collections, the condition of the housing stock and the Corporation's monitoring activities of the District Offices in delivering and managing homeownership programs. The organizational improvements implemented by the Corporation complement the areas identified by the Auditor General requiring additional focus and support. The development of a strategic plan that describes how the Corporation plans to meet the housing needs of NWT residents and to identify and mitigate the significant risks it faces was the third area of focus that the Corporation will be addressing through its planning processes.

The NWTHC has begun taking steps this year to improve monitoring and provide ongoing operational support to District Offices to ensure the delivery of NWTHC's programs in an effective manner. Activities include the provision of training in administrative, finance, human resource, program, and technical areas to support monitoring of performance in the following areas: compliance with policies and procedures; management of legal agreements within the NWTHC's loan and mortgage portfolio; program promotion and communications; and the implementation of the NWTHC's annual capital plan. These supports are intended to improve the delivery of housing programs to residents of the NWT.

Results of Operations

Operating Expenditures



The Corporation's total operating expenditures for 2008-2009 were $75.8 million (2007-2008 - $79.3 million). The cost of operating the rental program was $45.4 million which represents 61.2% of the annual operating costs of the Corporation. These operating costs support approximately 2,400 units that are subsidized by the Corporation for the provision of public housing, 500 units subsidized through CMHC unilateral programs and administered by the NWTHC, 225 units provided under the Corporation's homeownership rental program and an additional 117 market housing units.

Rental housing expenditures on utilities, taxes and land leases were $18.9 million in 2008-2009, an increase of $1.5 million over the previous year. Rising operating costs related to the Corporation's public housing stock and the ongoing decline in CMHC funding towards these operating costs continues to be an issue for the Corporation and requires the Corporation to limit any investment in new public housing units.

Building repairs and maintenance costs related to rental housing were $6.2 million in 2008-2009, a decrease of $4.7 million from the $10.9 million spent in 2007-2008. Although expenditures in preventative and demand maintenance repairs were consistent with the prior year's expenditures, a shift in priorities towards energy efficiency and maximizing the useful life of these units through capital investment resulted in fewer funds available for minor improvement projects.

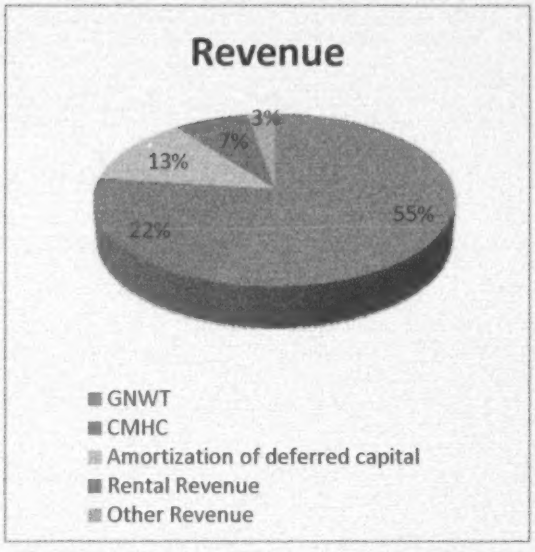
Homeownership assistance grants were $2.5 million in 2008-2009, a slight increase over the $2.2 million provided in 2007-2008. This funding is used for the provision of homeownership grants & contributions to support improvements to the existing homeownership units. The Corporation also had a net recovery, related to mortgage impairment charges, of $308,000 in 2008-2009 which compares favorably to the $67,000 expenditure in 2007-2008.

The Corporation spent $27.2 million in administration in 2008-2009, a reduction of $1.5 million from the $28.7 million spent in 2007-2008. Administration costs include administrative support, program development and delivery, technical support services and maintenance activities that occur at the LHO, District Office or Headquarter level.

Revenues

The Corporation received total revenues of $91.7 million in 2008-2009. Government funding included GNWT funding of $50.3 million, federal contributions, as provided under the Social Housing Agreement with CMHC, of $20.3 million and $11.6 million for the amortization of deferred capital funding.

Revenue generated from operations amounts to $9.5 million of which $7.0 million is the unsubsidized portion of rent revenue (tenant portion) received from public housing and homeownership rental programs. Other sources of revenue include investment revenue, gains on disposal of capital assets, mortgage interest revenue and other miscellaneous revenue and recoveries.



Investment in Housing

As at March 31, 2009 the NWTHC had $192.7 million of investments in land and buildings, representing the amortized book value of 2,400 owned public housing, homeownership rental and market rental units. During the year, an additional investment of $20.6 million was made in new properties or major renovation of existing properties. There were 14 units, with a carrying value of $2.1 million, disposed of during the year and $9.5 million of property costs were amortized during the year.

Financial Position

The Corporation's financial position remains on a solid foundation for 2008-2009. The Corporation continues to maintain a positive working capital position including cash and portfolio investments to ensure future obligations can be met related to project/contractual commitments at year-end, inflationary pressure on construction and operating costs and to mitigate financial risk associated with the $30.7 million third party mortgages that the Corporation administers on behalf of CMHC. The Corporation indemnifies and holds CMHC harmless for risk on these mortgages, as provided under the Social Housing Agreement.

Approximately $6.3 million in loan guarantees were active as of March 31, 2009. The NWTHC has guarantees in place for interim financing ($4.1 million) to support developers in the construction of new buildings or upgrading of single or multi-unit residential housing for rent or sale and additional guarantees to support new residential housing for families ($2.2 million) in cases where land tenure challenges have impacted on the ability to access bank financing.

Write-Off of Corporate Debts

As indicated in Part IX, Public Agencies, Section 84 of the *Financial Administration Act* any asset, debt or obligation written-off during the financial year that exceeds $500 must be reported in the annual report of the public agency.

As indicated in Section 82 of the *Financial Administration Act,* a public agency such as the NWTHC has the authority to write-off debts or obligations up to $20,000. Any write-off requests above $20,000 require the express authority of an Act through the Legislative Assembly. The Corporation has delegated the authority to write-off debts or obligations up to $10,000 to LHOs. When debts are written off it does not mean they are forgiven, the NWTHC can still collect on them.

Listed below are the tenant rental and tenant damage arrears approved for write-off in fiscal year 2008-2009:

Client Name	($) Amount	Client Name	($) Amount
AKLAVIK		DELINE, continued	
Dick, Timothy	2,346	Lennie, Maurice	3,652
Gordon, Jerome	1,897	MacKeinzo, Ronald	1,750
Kailek, James	3,112	Modeste, Angela	4,734
Kowana, Clarence	1,912	Modeste, Linda	18,610
Selamino, James	926	Modeste, Mark	3,181
Wright, Charles	7,464	Modeste, Pauline	4,460
		Sewi, Andrew	2,338
		Sewi, Clyde	1,126
DELINE		Sewi, Gina	761
Baptiste, Clint	3,493	Sewi, Rosie	527
Baptiste, Greg	1,146	Simpson, Peter	4,058
Baptiste, Joanne	3,558	Takazo, Raymond	12,745
Baton, Annie	861	Taniton, Alfred	2,460
Baton, Dorothy (now Bernard)	3,316	Taniton, Steven	4,445
Baton, Lloyd	7,819	Tetso, Archie	1,317
Baton, Phoebe Ann	4,873	Tetso, David	568
Baton, Pricilla Jr.	961	Tetso, Frank	638
Baton, Rita	903	Tutcho, Jimmy	2,990
Bayha, Greg	3,452		
Betsidea, Antoine	1,001		
Betsidea, Darrell	3,059	FORT PROVIDENCE	
Bonnetrouge, Joachim	856	Bonnetrouge, Bernie	9,237
Burgin, Robert	800		
Elemie, Lawrence	2,568		
Ferdinande, Hughie	887	FORT MCPHERSON	
Kenny, Buddy	5,928	Koe, Laura & Larry, Robert	1,590
Kenny, Dennis	2,456	Firth, Johnny	939
Kenny, Jackie	3,630	Niditchie, Shirley	1,674
Kenny, Mary Martha (now Bonnetrouge)	1,748	Norman, Norma	3,937
Kenny, Rocky	4,582	Stewart, Rosie	3,011

Client Name	Amount
FORT RESOLUTION	
Beaulieu, Herbert	6,723
Beaulieu, Larry	1,875
Beaulieu, Leonard Jr.	704
Beaulieu, Wilfred	576
Beaver, Eileen	560
Biscaye, Julie	2,010
Cardinal, Cynthia	1,560
Chaplin, Carol-Ann	4,757
Cuthbert, Stephen	5,899
Delorme, Mary-Lynn	4,497
Edjericon, Margo	5,754
Edjericon, Roxann	1,096
King, Brad	2,688
King, Frank	2,338
King, Paula	1,563
Lafferty, Cecile	2,039
Lafferty, Frank Rocky	2,149
Lafferty, Pearl	5,520
Lafferty, Ralph	1,244
Larocque, Melissa	1,376
McCallum, Melanie	1,373
McKay, Eddie	676
Norn, Lloyd	1,225
Sanderson, Barry	8,679
Sanderson, Cindy	608
Simon, Patrick	2,213
Simon, Richard	1,670
Smith, Paul	1,279
Villeneuve, Greg	2,108
FORT SIMPSON	
Clille, Corriner	2,335
Myers, Joyce	5,441
Tale, Charlene	4,230
Villeneuve, Eugene	6,676
FORT SMITH	
Abraham, Darren	563
Abraham, Wilfred	3,291
Adams, Tiffany	1,188

Client Name	Amount
FORT SMITH	
Arrance, Rick & Moses, Joyce	8,368
Beaver, Jamilyn	1,502
Benwell, Crystal	2,492
Blesse, Leanne	8,099
Bloomstrand, Misty	4,966
Bourke, Judy	1,636
Bourke, Leonard	3,053
Bourke, Raymond & Joanne	3,929
Burke, Rita	1,938
Bourque, Caroline	3,385
Bourque, Jolene & Comin, Ryan	638
Cardinal, Roslyn	4,660
Cheezie, Jennifer	534
Derkson, Gina	1,623
Davis, Rosie	2,094
Desjarlais, Doreen	3,164
Desjarlais, Theresa	900
Drygeese, Annie & Marie, Leslie	12,745
Germo, Jamie & Grenier, Valerie	960
Gladue, Philip	536
Glaude, Rose	5,554
Grenier, Andrew	1,142
Grenier, Valerie	3,583
Haupt, Elaine	9,091
Heron, Allan	4,983
Hessdorfer, Dustin & Mandeville, Marlene	1,071
Hudson, Tom	576
Hval, Jessica	7,213
Lepine, Cathy	1,200
Kaskamin, Clint & Wanderingspirit, Rhonda	976
Kaskamin, Taryn	2,907
Kaskamin, Thomasina	1,816
Kurszewski, Lucy & Bourque, Berna	1,100
Mabbitt, Calinda	10,197
MacDonald, Marcie	8,625
Mandeville, Amber	2,314
Mandeville, Barbara	1,955
Mandeville, Shane	840
McAllister, Luke	5,379
McArthur, Debbie	902

Client Name	Amount
FORT SMITH (continued)	
Marie, Colin	3,678
Mathews, Don & Samok, Sarah	5,757
Moskal, Luke	2,434
Nadary, Lynn & Thomas	4,353
Rodh, Joe & Poitras, Heather	2,627
Roy, Claudio	9,633
Schmitz, Michelle	2,555
Tourangeau, Natasha	2,439
Tourangeau, Tanya	2,986
Vermillion, Janelle	557
Wanderingspirit, Jackie	976
Waquan, Ken & Jennifer	9,384
Youngman, Stefany	3,307
INUVIK	
Aviugana, Sharon & Brodhurst, Albert	11,508
Dillon, Suveni	1,599
Kikoak, Esther & Jeremiah	3,720
Kikoak, Gerald & Robin	13,707
Kikoak, Ray	11,031
Miller, Julie & Harold	1,086
Smith, Roy	11,837
LUTSEL K'E	
Abel, Peter	1,867
Catholique, Beatrice	7,225
Catholique, Irene	5,041
Catholique, Maria	7,193
Catling, Sue	7,286
Drygeese, Dennis	1,856
Fatte, Pierre & Mary	806
Jonasson, Gregory	8,815
Jonasson, Jennifer	2,600
Laboucan, Maureen	507
Marlowe, Madeline	1,455
Michel, Pauline	2,566
Rabesca, Alex	1,271
Rabesca, John B	1,251
Sayine, James	2,200

Client Name	Amount
NORMAN WELLS	
Barnaby, Holly	548
Kodakin, Maurie	7,858
Kodakin, Nadine	3,437
Louison, Kelly	623
McDonald, Irvin	2,321
McPherson, Bruce & Pope, June	8,606
Silastiak, Donald	3,742
RADILIH KOE	
Gordon, Connie	715
Kelly, Elvis	2,183
Lennie, Rosemary	948
Taureau, Anna	1,606
Taureau, Liza	1,740
RAE-EDZO	
Beaulieu, Archie & Whane, Celine	5,958
Beaulieu, Robert	7,483
Beggair, Victoria	3,815
Brisette, Darrel	1,635
Browning, Rose	573
Browning, Thomas	4,751
Challfoux, Dwayne	2,993
Chinkon, Julia	1,929
Desjardins, Norman	1,019
Doctor, John & Zoe-Chocolate, Pauline	13,252
Dryneck, Rita	10,921
Fish, Alfred & Agnes	784
Geddes, Gus	10,921
Heron, Alice	11,604
Knapton-Pain, Sherri	1,525
Konolsky, Dan	6,927
Kotchilea, Lawrence	2,244
Lafferty, Betty	628
Lafferty, Irene	14,879
Lafferty, Marcel	2,459
Lalonde, Joe	1,233
Mantla, Michael	10,591
McBride, Patrick	1,154

Client Name	Amount
RAE-EDZO (continued)	
McKenzie, Joseph	3,085
Pearl, Robert	6,196
Poirier, Bill	2,504
Rabesca, Doris	1,019
Romie, Diane	2,672
Ryan, Frank	520
Wetrade, Joe	4,268
Weyallon, Edward	3,866
Whane, Christine	2,492
Worthman, Ken	1,535
TULITA	
Bavard, Dwayne	10,551
Bernarde, Esther & McPherson, John	13,992
Etchinelle, Darlene & Andrew, Walter	13,200
Horassi, Janice	15,037
Lennie, Roblyn	2,642
Lennie, Robert	4,098
MacDonald, Harold & Yakeleya, Verlie	7,959
MacKenizie, Philip & Menacho, Cathy	8,064
Menacho, Arsenne	16,239
Menacho, Darlyn	4,000
Menacho, Sonia	3,755
Nerysoo, Janine	1,716
Neyelle, Camille & Karkagie, Shelia	6,005
YELLOWKNIVES DENE FIRST NATION	
Crookedhand, Peter	14,357
Docter, William	13,423
Drygeese, David	12,890
Drygeese, Lawrence	13,083
Drygeese, Lena	1,986
Field, Harvey & Shirley	15,314
Francois, Stella	15,097
Lafferty, Mark	985
MacKenzie, Nora	1,024
Sangris, Ann Marie	16,800
Sangris, Charlie	17,629
Tsetta, John	6,118
Lafferty, Mark	985

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for integrity and fairness of the consolidated financial statements of the Northwest Territories Housing Corporation and the information contained in the annual report. The consolidated financial statements include some amounts that are necessarily based on management's best estimates and judgements, such as the allowance for impaired mortgages receivable, the valuation of the housing units acquired in the quit claims process and the liability for post-employment benefits.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector. Financial information presented elsewhere in the annual report is also consistent with that contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and the Corporation complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to the Corporation's statutory requirements and policies.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing her report thereon.

Jeff Polakoff
President and CEO

J.B. (Jeff) Anderson CGA CPA
Vice-President
Finance and Infrastructure Services

Yellowknife, Northwest Territories
February 24, 2011

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Financial Position
As at March 31, 2009
(in thousands)

	2009	2008 (Restated Note 2)	April 1, 2007 (Restated Note 2)
Financial assets			
Cash and cash equivalents (Note 4)	$ 36,001	$ 38,903	$ 19,728
Portfolio investments (Note 5)	20,098	6,462	6,462
Accounts receivable (Note 6)	4,673	5,166	22,523
Mortgages receivable (Note 7)	1,438	1,263	1,901
	62,210	51,794	50,614
Liabilities			
Accounts payable and accrued liabilities (Note 8)	16,508	20,245	20,154
Loans payable to Canada Mortgage and Housing Corporation (Note 9)	14,726	15,265	14,002
Obligations under capital leases (Note 10)	7,065	7,818	8,498
Post-employment benefits (Note 11)	2,101	2,491	2,432
	40,400	45,819	45,086
Net financial resources	$ 21,810	$ 5,975	$ 5,528
Non-financial assets			
Tangible capital assets (Schedule A)	198,312	189,215	163,234
Deferred capital funding (Note 12)	(178,823)	(169,825)	(144,302)
Prepaid expenses	77	74	68
	19,566	19,464	19,000
Accumulated surplus	$ 41,376	$ 25,439	$ 24,528

Contractual obligations and contingencies (Notes 16 and 17)

Approved by management:

President and CEO

Vice President, Finance & Infrastructure Services

The accompanying notes form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Change in Net Financial Resources
For the year ended March 31, 2009
(in thousands)

	2009 Budget	2009 Actual	2008 Actual (Restated Note 2)
Net financial resources, beginning of the year	$ 5,975	$ 5,975	$ 5,528
Items affecting net financial resources:			
Annual surplus	-	15,937	911
Acquisition of tangible capital assets	(38,390)	(21,687)	(35,438)
Amortization of tangible capital assets	8,883	10,041	8,761
Disposal of tangible capital assets	-	2,549	696
Deferred capital funding obtained	38,390	20,571	34,237
Amortization of deferred capital funding	(8,883)	(11,573)	(8,714)
Increase in prepaid expenses	-	(3)	(6)
Net financial resources, end of year	$ 5,975	$ 21,810	$ 5,975

The accompanying notes form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Operations
For the year ended March 31, 2009
(in thousands)

	2009 Budget	2009 Actual	2008 Actual (Restated Note 2)
Revenues			
Government funding:			
Government of the Northwest Territories	$ 36,567	$ 50,288	$ 38,135
Canada Mortgage and Housing Corporation (Note 13)	20,265	20,298	20,601
Amortization of deferred capital funding (Note 12)	8,883	11,573	8,714
	65,715	82,159	67,450
Generated revenues:			
Rental revenue	6,032	6,959	6,066
Other revenue and recoveries	1,861	1,425	3,794
Investment revenue	1,372	1,327	1,881
Gain (loss) on disposal of tangible capital assets	-	(251)	895
Mortgage interest revenue	100	83	106
	9,365	9,543	12,742
	75,080	91,702	80,192
Expenses			
Public housing programs:			
Utilities, taxes and land leases	15,912	18,924	17,467
Repairs, maintenance and other costs	8,798	6,214	10,890
Amortization	8,883	10,041	8,761
Contributions for public housing	8,935	6,339	5,979
Leasing	4,294	2,547	2,693
Interest on long-term debt	1,505	1,587	1,529
Contributions for market housing	1,020	754	1,035
Homeownership assistance programs:			
Homeownership assistance grants	5,224	2,462	2,207
Mortgage expense, net of recoveries	-	(308)	67
Administration (Note 14)	20,509	27,205	28,653
	75,080	75,765	79,281
Annual surplus	$ -	$ 15,937	$ 911

The accompanying notes form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2009
(in thousands)

	2009	2008 (Restated Note 2)
Accumulated surplus, beginning of year as previously reported	$ 25,439	$ 23,991
To eliminate fair value adjustment for portfolio investments due to change in accounting basis (Note 2a)	-	(94)
To recognize deferred capital funding for land previously recorded as building additions	-	631
Accumulated surplus, beginning of year as restated	25,439	24,528
Annual surplus (deficit)	15,937	(702)
Restatements (Note 2):		
To eliminate fair value adjustments for portfolio investments due to change in accounting basis	-	102
To revalue housing units acquired through the quit claims process	-	1,087
To recognize deferred capital funding for land previously recorded as building additions	-	424
Restated annual surplus	15,937	911
Accumulated surplus, end of year as restated	$ 41,376	$ 25,439

The accompanying notes form an integral part of the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Cash Flow
For the year ended March 31, 2009
(in thousands)

	2009	2008
Operating transactions		
Cash received from:		
Government of the Northwest Territories	$ 50,638	$ 69,188
Canada Mortgage and Housing Corporation	20,302	6,496
Rental revenue	7,285	6,259
Miscellaneous revenue and recoveries	2,835	4,695
	81,060	86,638
Cash paid for:		
Administration	(27,874)	(16,952)
Utilities, taxes and land leases	(18,927)	(17,473)
Contributions for public housing	(6,339)	(5,979)
Repairs, maintenance and other costs	(6,214)	(18,074)
Leasing	(2,547)	(2,693)
Homeownership grants and contributions	(2,462)	(2,207)
Interest on long-term debt	(1,607)	(1,779)
Contributions for market housing	(754)	(1,035)
Mortgage expenses, net of recoveries	(321)	1,417
	(67,045)	(64,775)
Cash provided by operating transactions	14,015	21,863
Capital transactions		
Acquisition of tangible capital assets	(25,248)	(37,643)
Proceeds on disposal of tangible capital assets	2,234	2,031
Cash used in capital transactions	(23,014)	(35,612)
Financing transactions		
Government funding used to acquire tangible capital assets	20,571	34,237
Repayment of long-term debt and capital leases	(1,292)	(1,113)
Cash provided by financing transactions	19,279	33,124
Investing transactions		
Redemption of portfolio investments	1,015	-
Purchases of portfolio investments	(14,651)	-
Mortgage payments received (disbursed)	454	(200)
Cash used in investing transactions	(13,182)	(200)
(Decrease) increase in cash and cash equivalents	(2,902)	19,175
Cash and cash equivalents, beginning of year	38,903	19,728
Cash and cash equivalents, end of year	$ 36,001	$ 38,903

The accompanying notes form an integral part of the consolidated financial statements.

1. PURPOSE OF THE ORGANIZATION

The Northwest Territories Housing Corporation (the "Corporation") is a territorial corporation, established under the *Northwest Territories Housing Corporation Act* (the "Act") and named in Schedule B of the Financial Administration Act (FAA) of the Northwest Territories (NWT). Accordingly, the Corporation operates in accordance with its Act and regulations, Part IX of the FAA, and any directives issued to it by the Minister responsible for the Corporation. The Corporation is exempt from income tax but is subject to Goods and Services Tax.

The Corporation's mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. The Corporation works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

The Corporation's public housing program is delivered by twenty-three community-based local housing organizations (LHOs). Each LHO has a board of directors and a management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between the Corporation and the LHOs which outline the roles and responsibilities of each party.

The Corporation and the LHOs are economically dependent upon the Government of the NWT (the Government) for the funds required to finance the net cost of their operations and capital acquisitions.

2. ACCOUNTING CHANGES

a) Basis of accounting

During the year ended March 31, 2009, the Corporation changed the basis of accounting used to prepare its consolidated financial statements. The Corporation which is classified as an "Other government organization" under the Public Sector Accounting Standards has chosen to adopt Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants to prepare its consolidated financial statements. Previously, the Corporation had been using Canadian GAAP for the private sector to prepare its consolidated financial statements. The change in the basis of accounting has been applied retroactively with restatement of prior periods.

As a result of this change the Corporation's 2008 ending balance for portfolio investments increased by $8, the 2008 opening accumulated surplus decreased by $94 and the 2008 investment income increased by $102 as a result of eliminating the fair value adjustments previously recorded. The transition did not result in any changes to the consolidated statement of cash flow.

The Corporation elected to use the exemption for tangible capital asset impairment. This election did not result in adjustments to the consolidated financial statements.

2. ACCOUNTING CHANGES (CONT'D)

b) Revaluation of housing units acquired through the quit claims process

During the year ended March 31, 2009, the Corporation noted that it had been incorrectly valuing the housing units acquired through the quit claims process. The correction of an error has been applied retroactively with restatement of prior periods.

A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer title to the housing unit back to the Corporation for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. In prior years the housing units obtained through the quit claims process were valued on a nominal basis.

As a result of this change the Corporation's 2008 ending balance for tangible capital assets (public housing) increased by $1,087 and the 2008 other revenue and recoveries increased by $1,087.

c) Restatement to reclassify land and to recognize the related deferred capital funding

During the year ended March 31, 2009, the Corporation noted that it had been incorrectly capitalizing and amortizing land in prior years as part of the cost of constructing the public housing units. Land normally has an unlimited life and should not be amortized under GAAP. The acquisition of the land was also funded by the Government and recorded as deferred capital funding. Government funding used to acquire land should be recognized as a direct increase to net assets in the same period the land was acquired under GAAP. The correction of an error has been applied retroactively with restatement of prior periods.

As a result of the correction, the Corporation's 2008 ending balance for tangible capital assets has been restated to reclassify the land included in public housing and construction in progress – land increased by $1,055, public housing decreased by $827 and construction in progress decreased by $228. In addition, the Corporation's 2008 ending deferred capital funding decreased by $1,055, the 2008 opening accumulated surplus increased by $631 and the 2008 amortization of deferred capital funding increased by $424.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with GAAP for the public sector which requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could significantly differ from those estimates. The more significant management estimates relate to the allowance for impaired mortgages receivable, the valuation of the housing units acquired in the quit claims process and the liability for post-employment benefits.

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures, change in net financial resources and cash flows of the reporting entity. The reporting entity is comprised of the Corporation and the accounts of the following twenty LHOs, via consolidation, which are controlled by the Corporation:

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Aklavik Housing Association
Deline Housing Association
Fort McPherson Housing Association
Fort Providence Housing Association
Fort Resolution Housing Authority
Fort Simpson Housing Authority
Fort Smith Housing Authority
Hay River Housing Authority
Inuvik Housing Authority
Lac La Martre Housing Association
Lutsel K'e Housing Authority
Norman Wells Housing Authority
Paulatuk Housing Association
Radilih Koe' Housing Association
Rae Edzo Housing Authority
Sachs Harbour Housing Association
Tsiigehtchic Housing Association
Tuktoyaktuk Housing Association
Tulita Housing Association
Yellowknife Housing Authority

The following three LHOs: Yellowknife Dene Band (Housing Division); Hay River Dene Band Housing Society; and Uluhaktuk Hamlet (Housing Division) have been excluded from the reporting entity since they are considered to be part of separate level of government and thus should be excluded from the reporting entity of any other government or government organization. All significant inter-entity balances and transactions have been eliminated in the preparation of the consolidated statements.

Revenue recognition

Funding provided by the Government for operating purposes is recognized as government funding in the fiscal year when received or receivable.

The portion of the funding provided by the Government for operating purposes used to acquire depreciable tangible capital assets is recorded as deferred capital funding and is recognized as government funding on the same basis as the related tangible capital assets are amortized. The portion of the funding used to acquire non-depreciable tangible capital assets, such as land, is recognized as a direct increase to net assets in the same period the land was acquired. Funding provided by the Government in the form of tangible capital assets is also recognized on the same basis as the related tangible capital assets are amortized.

Funding received from the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement (SHA), Affordable Housing Program Agreement and Housing Renovation Program Agreement between CMHC and the Corporation:

- for the operations and maintenance of the various public housing programs is recognized as government funding in the fiscal year in which the related expenses are incurred;
- for the acquisition of public housing is recorded as deferred capital funding and is recognized as government funding on the same basis as the related tangible capital assets; and
- to provide assistance to eligible homeowners and landlords for repairs and rehabilitation of properties is recognized as government funding in the fiscal year the assistance is provided.

Rental revenue is recognized on an accrual basis. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contributions for public and market housing and homeownership assistance grants

The contributions provided by the Corporation to the LHOs included in the reporting entity for the operation of the public housing program and maintenance of the public housing units are eliminated upon the preparation of the consolidated financial statements. The contributions provided by the Corporation to the three LHOs which are excluded from the reporting entity are recognized on an accrual basis, but only to the extent of the Corporation's agreed upon contributions to them.

The Corporation also provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

The grants and contributions provided by the Corporation to eligible homeowners are recognized on an accrual basis based on the terms and conditions of the Corporation's homeownership programs.

Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and highly liquid short-term investments with original maturities at the date of acquisition of 90 days or less.

Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the reporting entity and are accounted for using the cost method. Such investments are normally in shares or bonds of the investee and do not include temporary investments.

Investment income is recognized on the accrual basis, premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Mortgages receivable

a) Mortgage subsidies

The Corporation, under section 44(1) of its Act, subsidizes principal and interest payments due from homeowners under the legal terms and conditions of mortgages. These subsidies vary in amount depending on the income of the mortgagees. Subsidies are expensed in the year the mortgage is approved and are recognized in the statement of operations as mortgage subsidies, net of recoveries.

Accordingly, the mortgages receivable balance represents the present value of the expected future payments from clients on the mortgages, prior to an allowance for impairment. Subsequent changes to the amount of subsidy provided, resulting from changes in income of the mortgagee, are recognized in the year the changes occur.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Allowance for impaired mortgages

Mortgages are considered impaired when deterioration in credit quality has occurred and there is reasonable doubt as to the timely collection of principal and interest. A mortgage is considered impaired when a payment is six months in arrears. Based on management's judgment and the Corporation's historical loss experience on impaired mortgages, an allowance of 100% is established to reduce the carrying amount of mortgages identified as impaired to their estimated recoverable value of nil. The allowance for impairment is recognized in the statement of operations as the provision for impaired mortgages, net of recoveries.

Write-offs of impaired mortgages occur after the homeowner and the Corporation have signed the quit claim agreement and the Corporation has obtained the housing unit in exchange for the debt owed.

c) Mortgage interest revenue

Interest income on mortgages is recognized on the accrual basis. When a mortgage becomes impaired, recognition of interest ceases and any previously accrued but unpaid interest revenue is reversed against the mortgage interest revenue. Interest income would be recognized on impaired loans only when all charges for impairment have been reversed.

Tangible capital assets

a) Land and buildings

Land and housing units constructed or purchased by the Corporation for the public housing, including construction in progress, are recorded at cost. Housing units previously transferred from CMHC or the Government were also recognized at net book value which was considered a reasonable estimate of fair value at the time of the transfer. Housing materials are valued at lower of cost and replacement cost.

Public housing units are recorded as capital leases when the Corporation enters into lease agreements where, in effect, the risks and benefits of ownership are transferred to the Corporation. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs. Interest expense is included in interest on long-term debt. Housing for sale is carried at lower of cost and estimated net realizable value.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service and is taken for the full year. Housing for sale and construction in progress are not amortized.

A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer title to the housing unit back to the Corporation for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property and equipment

Property and equipment are stated at amortized cost. Amortization is provided using the following methods and annual rates:

Office furniture and equipment	Declining balance	20%
Warehouses and offices	Declining balance	5%
Mobile equipment	Declining balance	20%
Leaseholds	Straight-line over term of lease	

Employee future benefits

a) Pension benefits

Employees participate in the Public Service Pension Plan (the Plan) administered by the Government of Canada. The Corporation's contributions reflect the full cost as employer. This amount is based on a multiple of employee contributions and may fluctuate over time, depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation. The Corporation is not required to make contributions with respect to actuarial deficiencies of the Plan.

b) Post-employment benefits

Under the terms and conditions of employment, employees may earn leave, severance and removal benefits based on years of service. The benefits are paid upon resignation, retirement, or death of an employee. The cost of these post-employment benefits has been determined based on management's best estimates and accrued as a liability as employees render service.

Obligation under loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

Future accounting changes

PSAB approved Section PS 3260, Liability for Contaminated Sites in March 2010. The new standard requires a government or government organization to recognize a liability for a contaminated site when an environmental standard exists, the contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility for remediation of the contaminated site, and a reasonable estimate of the amount can be made. The new standard is effective for fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged. Management is currently assessing the impact of the standard.

4. CASH AND CASH EQUIVALENTS

	2009	2008
Cash	$ 13,614	$ 13,805
Short-term investments	22,387	25,098
	$ 36,001	$ 38,903

The Corporation invests in the short-term money market. The market yield of this portfolio ranged from 0.34% to 0.41% in 2009 (2008 - 1.75% to 4.63%). All instruments held are in high quality debt obligations with a weighted average remaining term to maturity of 35 days (2008 - 57 days).

Included in cash and cash equivalents are security deposits held in trust in the amount of $1,435 (2008 - $1,380).

5. PORTFOLIO INVESTMENTS

	2009			2008
Issuer	Interest rate	Term to maturity	Carrying value	Carrying value (Restated Note 2)
Provincial government	2.50% to 8.50%	1 to 11 years	$ 17,998	$ 4,348
Business Development Bank of Canada	Variable	5 years	1,100	1,100
Government of Canada	3.75%	10 years	1,000	-
Trust company	-	-	-	1,014
			$ 20,098	$ 6,462

The weighted average yield of this portfolio in 2009 was 4.10% (2008 – 4.09%).

6. ACCOUNTS RECEIVABLE

	2009	2008
Trade accounts receivable	$ 2,260	$ 2,560
Tenant rents receivable	1,381	1,343
Canada Mortgage and Housing Corporation	797	801
Receivables from related parties:		
Government of the Northwest Territories	235	462
	$ 4,673	$ 5,166

7. MORTGAGES RECEIVABLE

	2009	2008
Mortgages, interest at rates varying between 5.0% and 13.75% per annum, repayable over a maximum of 25 years	$ 15,499	$ 16,653
Less allowance for impaired mortgages	(14,061)	(15,390)
	$ 1,438	$ 1,263

The recorded investment in mortgages specifically identified as being impaired is $14,061 (2008 - $15,390). There were no write-offs in the current year (2008 – nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Trade payables	$ 11,824	$ 15,413
Security deposits	1,435	1,380
Employee leave benefits	1,132	1,496
Wages and benefits	568	519
Accrued interest	248	268
Prepaid rent	76	67
Deferred revenues	-	80
Payables to related parties:		
Government of the Northwest Territories	1,225	1,022
	$ 16,508	$ 20,245

9. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2009	2008
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2008 - 6.97%). These loans are guaranteed by the Government.	$ 10,296	$ 10,651
Mortgages payable to CMHC for three housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.47% to 3.68%, (2008 – 4.71% and 4.96%).	4,430	4,614
	$ 14,726	$ 15,265

9. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (CONT'D)

Under the terms of the 1999 SHA, CMHC originally provided funding to the Corporation to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as NHA Section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to the Corporation to reduce 100% or $38,560 (2008 - $43,022) of the NHA Section 79 debt and to reduce by 5/9th or $12,870 (2008 – $13,313) the NHA Section 82 debt, and to fund the related interest repayments that the Corporation would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by the Corporation each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between the Corporation and CMHC.

The additional funding receivable is recorded as a reduction of the corresponding long-term debt payable. At March 31, 2009, the funding receivable from CMHC that has been netted against the corresponding long-term debt owing to CMHC amounted to $51,430 (2008 - $56,335). Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of $5,691 in 2009 (2008 - $6,314), and would have made additional principal long-term debt repayments to CMHC of $4,905 in 2009 (2008 - $4,667).

As the additional funding from CMHC and the corresponding repayments of long-term debt are non-cash transactions, they have not been recorded in the consolidated statement of cash flow.

Principal repayments and interest requirements over the life of outstanding loans are as follows:

	Principal	Interest	Total
2010	$ 594	$ 827	$ 1,421
2011	629	787	1,416
2012	662	754	1,416
2013	697	719	1,416
2014	734	681	1,415
2015-2019	4,000	2,757	6,757
2020-2038	7,410	2,426	9,836
	$ 14,726	$ 8,951	$ 23,677

10. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed, in aggregate, to payments of approximately $1,766 per annum for fifteen lease agreements for housing units that were initiated to support the Public Housing and Senior Citizens' Rent Supplement Programs and three lease agreements for market housing units. These lease agreements are based on implicit interest rates varying from 6.6% to 11.5% and expiry dates ranging from 2012 to 2023. The lease payments may be renegotiated every five years for changes in specific operating costs such as interest rates and cost of utilities. The Corporation is also responsible for other operating costs not included in the annual lease payment.

	Future minimum lease payments	Executory costs	Imputed interest	Lease obligation
2010	$ 1,766	$ 416	$ 622	$ 728
2011	1,766	416	553	797
2012	1,766	416	478	872
2013	1,749	416	395	938
2014	1,682	401	307	974
2015-2023	5,007	1,375	876	2,756
Total	$ 13,736	$ 3,440	$ 3,231	$ 7,065

The value of the leased housing units which are included as part of the Corporation's tangible capital assets and the related accumulated amortization as at March 31, 2009 is $11,175 and $5,950 respectively (2008 - $11,253 and $5,260, respectively).

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS

Pension benefits

The Corporation and all eligible employees contribute to the Public Service Pension Plan (the Plan). The Plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index.

Contributions to the Plan were as follows:

	2009	2008
Employer contributions	$ 1,221	$ 1,293
Employee contributions	582	607

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS (CONT'D)

Post-employment benefits

The Corporation provides leave, severance and removal benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Liability for leave, severance, and removal benefits is as follows:

	2009	2008
Accrued benefit obligation, beginning of year	$ 2,491	$ 2,432
Benefits paid net of recoveries and costs	(390)	59
Accrued benefit obligation, end of year	$ 2,101	$ 2,491

12. DEFERRED CAPITAL FUNDING

	2009	2008 (Restated Note 2)
Balance, beginning of year	$ 169,825	$ 144,302
Portion of government funding used to acquire tangible capital assets	20,571	34,237
Amortization of deferred capital funding	(11,573)	(8,714)
Balance, end of year	$ 178,823	$ 169,825

Under the terms of the 1999 SHA between CMHC and the Corporation, the Corporation originally received funding from CMHC in the form of long-term mortgages and loans payable, to build public housing in the NWT. Under the SHA, the Corporation also received additional funding from CMHC to cover the long-term debt principal and interest payments due to CMHC as described in Note 9. The additional funding has been recorded as deferred capital funding on the consolidated balance sheet and is being recognized as government funding in the consolidated statement of operations on the same basis as amortization of the related tangible capital assets. The Corporation also receives funding from the Government to build public housing.

Included in the above totals are opening deferred capital funding of $122,521 (2008 - $94,081) from the Government and $47,304 (2008 – $50,221) from CMHC. The Government provided all the funding used to purchase capital assets in 2009 and in 2008. Amortization of deferred capital funding includes $8,708 (2008 - $5,797) from the Government and $2,865 (2008 - $2,917) from CMHC. The Government comprises $134,384 (2008 - $122,521) and CMHC comprises $44,439 (2008 – $47,304) of the balance at March 31, 2009.

13. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2009	2008
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	$ 13,969	$ 14,203
Contributions for non-profit housing sponsor groups and cooperatives	3,926	3,918
Repairs, maintenance and other costs	1,913	1,990
Housing Renovation Program Agreement	490	490
	$ 20,298	$ 20,601

Under the terms of the 1999 SHA with CMHC, the Corporation assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to the Corporation to manage these programs. The SHA and the funding expire in 2037.

The Housing Renovation Program Agreement with CMHC establishes a structure for cost-shared programs that provide assistance to eligible homeowners and landlords for repairs and rehabilitation of properties. CMHC contributes up to 75% of the funding for eligible repairs.

14. ADMINISTRATION EXPENSES

	2009	2008
Salaries and benefits	$ 21,699	$ 22,595
LHO administration	1,154	1,405
Building and equipment rentals	1,767	1,790
Travel and relocation	625	869
Professional and special services	953	628
Computer services	247	491
Communications	239	224
Materials and supplies	288	347
Land title fees and expenses	195	136
Workshops and studies	38	168
	$ 27,205	$ 28,653

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the Corporation's financial assets and liabilities is estimated as follows:

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	$ 20,098	$ 20,244	$ 6,462	$ 6,454
Loans payable to CMHC	10,296	12,153	10,651	11,630
Mortgages payable to CMHC	4,430	3,816	4,614	4,598

The fair value of the portfolio investments are the market values as at March 31.

The fair value of loans and mortgages payable to CMHC is determined by applying the current yield for debt with a similar maturity date issued by the province of Newfoundland & Labrador and applying this yield to the Corporation's debt. This approach is used because the Government of the Northwest Territories does not issue debt.

The fair value of the mortgages receivable is estimated to be the carrying amount due to the significant valuation allowances provided.

The fair values of the cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts because of the short term to maturity.

16. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments as follows. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Included in the 2010 contractual obligations are construction commitments $5,400.

	Total
2010	$ 9,346
2011	3,580
2012	2,735
2013	2,021
2014	837
After	5,096
Total	$ 23,615

17. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2009 a total of 37 (2008 - 35) loan guarantees were in effect, and the outstanding balance of loans guaranteed was $6,310 (2008 - $6,482).

Under the terms of the SHA with CMHC, the Corporation is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that the Corporation shall indemnify and reimburse CMHC for and save it harmless from all losses, costs and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2009 was $30,685 (2008 - $32,037).

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from the Corporation. The obligation under loan guarantees as at March 31, 2009 is nil (2008- nil).

Claims have been made against Housing in the normal course of operations. There are two outstanding claims as at March 31, 2009. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. The final outcome with respect to claims and legal proceedings pending at March 31, 2009 cannot be predicted with certainty and therefore no liability has been accrued and no expense has been recorded. It is management's opinion that their resolution will not have a material adverse effect on Housing's financial position or results of operations.

18. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. The Corporation enters into transactions with these entities in the normal course of business, under terms and conditions similar to those with unrelated parties. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

19. SUBSEQUENT EVENT

On May 22, 2009, under Canada's Economic Action Plan, CMHC and the Corporation signed an amendment to the Affordable Housing Program Agreement and an extension to the Housing Renovation Program Agreement to build new affordable housing and assist low-income households with needed renovations to their homes. The federal government will contribute $59 million over the next two years.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Schedule of Tangible Capital Assets
March 31, 2009
(in thousands)

Schedule A

	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2009	2008 (Restated Note 2)
Land and buildings:										
Land	$1,285	$870	-	$2,155	-	-	-	-	$2,155	$1,285
Public housing	256,298	30,421	(3,610)	283,109	102,517	9,463	(1,471)	110,509	172,600	153,780
Housing for sale	1,115	-	(395)	720	-	-	-	-	720	1,115
Construction in progress	28,691	(10,740)	-	17,951	-	-	-	-	17,951	28,691
Sub-total	287,389	20,551	(4,005)	303,935	102,517	9,463	(1,471)	110,509	193,426	184,871
Property and equipment:										
Warehouses and offices	6,817	154	-	6,971	3,416	178	-	3,594	3,377	3,401
Office furniture and equipment	4,813	256	(74)	4,995	4,071	196	(58)	4,209	786	743
Mobile equipment	-	655	-	655	-	131	-	131	524	-
Leaseholds	657	71	-	728	456	73	-	529	199	200
Sub-total	12,287	1,136	(74)	13,349	7,943	578	(58)	8,463	4,886	4,344
Total	$299,676	$21,687	$(4,079)	$317,284	$110,460	$10,041	($1,529)	$118,972	$198,312	$189,215

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Above: One of the trucks that deliver supplies (including housing materials) by winter road to Fort Good Hope. *Photo by Paula MacFadyen*

NORTHWEST TERRITORIES
HOUSING CORPORATION